

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6884**

**BILL NUMBER:** HB 1113

**NOTE PREPARED:** Mar 25, 2005

**BILL AMENDED:** Mar 24, 2005

**SUBJECT:** Court Fees.

**FIRST AUTHOR:** Rep. Richardson

**FIRST SPONSOR:** Sen. Lawson C.

**BILL STATUS:** CR Adopted - 2nd House

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

- A. It provides for the collection of a \$10 service fee in civil actions for each defendant added and each additional defendant named other than the first named defendant in cases where service is not made by publication. It increases the small claims service fee from \$5 to \$10 for each defendant named or added in a small claims action. It specifies that 100% of the service fees shall be deposited in the appropriate fund or with the appropriate fiscal officer.
- B. It establishes a Judicial Salaries Fee of \$19 to be collected in certain civil actions and certain criminal, infraction, and ordinance violation actions. It provides for the Judicial Salaries Fee to be deposited in the state General Fund.
- C. It increases the Judicial Administration Fee by \$1. It increases the biannual amount transferred to the Public Defense Fund by \$500,000.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** (Revised) *Provision C* would transfer \$500,000 two times a year to the Public Defense Fund from the state General Fund.

**Explanation of State Revenues:** (Revised) *Provision B* establishes a Judicial Salaries Fee of \$19 to be collected in civil filings, juvenile cases, felony convictions, misdemeanor convictions, infractions, and ordinance violation actions and small claims cases in trial courts, city and town courts, and Marion County Small Claims Courts.

Revenue collected from this fee will be deposited into the state General Fund. This fee is expected to generate approximately \$20.4 M each year.

<b>Estimated Revenue Generated by \$19 Judicial Salaries Fee and Estimated Revenue By Case Category</b>					
<b>Case Category</b>	<b>Trial Courts</b>	<b>City and Town Courts</b>	<b>Marion County Small Claims Courts</b>	<b>Totals</b>	<b>Percent</b>
Felonies & Misdemeanors	\$901,706	\$414,143		\$1,315,849	6%
Infractions	\$7,415,231	\$2,536,285		\$9,951,516	49%
Ordinance Violations	\$1,011,743	\$244,453		\$1,256,196	6%
Civil Plenary and Tort	\$1,638,171	\$213,629		\$1,851,800	9%
Juvenile	\$271,179			\$271,179	1%
Small Claims	\$3,295,543		\$1,201,594	\$4,497,137	22%
Domestic Relations	\$638,881			\$638,881	3%
Probate and Others	\$606,585	\$287		\$606,872	3%
	<b>\$15,779,039</b>	<b>\$3,408,797</b>	<b>\$1,201,594</b>	<b>\$20,389,430</b>	<b>100%</b>

*Provision C* would increase the Judicial Administration Fee by \$1 collected in civil filings, juvenile cases, felony convictions, misdemeanor convictions, infractions, and ordinance violation actions and small claims cases in trial courts, city and town courts, and Marion County Small Claims Courts, increasing revenue generated by this fee by \$1.1 M. each year.

<b>Estimated Revenue Generated by \$1 Judicial Administration Fee and Estimated Revenue By Case Category</b>				
<b>Case Category</b>	<b>Trial Courts</b>	<b>City and Town Courts</b>	<b>Marion County Small Claims Courts</b>	<b>Totals</b>
Felonies & Misdemeanors	\$73,236	\$25,088		\$98,324
Infractions	\$390,275	\$133,489		\$523,764
Ordinance Violations	\$53,250	\$12,866		\$66,116
Civil Plenary and Tort	\$14,273			\$14,273
Juvenile	\$86,220	\$11,243		\$97,463
Small Claims	\$173,450		\$63,241	\$236,691
Domestic Relations	\$33,625			\$33,625
Probate and Others	\$31,926	\$15		\$31,941
	<b>\$856,254</b>	<b>\$182,701</b>	<b>\$63,242</b>	<b>\$1,102,197</b>

**Explanation of Local Revenues:** (Revised) *Provision A* is estimated to generate new revenue in the following amounts, depending on the number of respondents to these cases.

<b>Calendar Year</b>	<b>Low Estimate (\$ M) *</b>	<b>High Estimate (\$ M) *</b>
<b>2005</b>	\$1.73	\$3.46
<b>2006 and following years</b>	\$3.46	\$6.92

\* The average number of defendants named in civil actions covered by this bill is unknown. The low estimate is based on an average of one defendant named; the high estimate is based on an average of two defendants.

*Proposed Changes* -- The following table illustrates how current law specifies how service fees for small

claims cases are paid and the proposed changes for both small claims and civil actions.

	Fees		Parties Affected	
	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>
Small Claims	\$5*	\$10	plaintiff pays fee for each defendant named or added	plaintiff pays fee for each defendant named; party adding defendants pays fee for each defendant named
Civil Actions	none	\$10	none	plaintiff pays fee for each defendant named; party adding defendants pays fee for each defendant named
*Fee becomes effective on July 1, 2005				

*Background Information* -- The following table is the basis for estimating the additional revenue that this bill could generate.

<u>Cases</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>Five-Year Average</u>
Civil	173,596	187,806	201,753	217,982	215,622	199,352
Small Claims	282,218	289,964	305,776	290,493	298,477	293,386

The average number of defendants named in civil and small claims cases is not reported in published form. The following tables assume either one or two defendants are involved in each case. Based on the five-year average of filings, the estimated revenue for the last six months of CY 2005 could range between \$1.73 M and \$3.46 M. For CY 2006 and each following year, the added \$5 fees for small claims and \$10 for civil actions could generate between \$3.46 M and \$6.92 M.

	<u>5 Yr. Avg. Of Filings</u>		<u>Added Fee</u>		<u>Potential Revenue in \$M</u>	
					<u>For One Respondent</u>	<u>For Two Respondents</u>
Civil	199,352	x	\$10	=	\$1.99	\$3.99
Small Claims	293,386	x	\$5	=	\$1.47	\$2.93
Total New Revenue for last six months of CY 2005					\$1.73	\$3.46
Each Calendar Year Following 2005					\$3.46	\$6.92

The proceeds from the small claims service fees are deposited in the county general fund, while the civil action service fees are deposited in either the county, city, or town general fund.

**State Agencies Affected:**

**Local Agencies Affected:** All courts of record with civil and small claims jurisdiction.

**Information Sources:** *2003 Indiana Judicial Service Report*, Volume 1, Executive Summary.

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